STATE BOARD OF EQUALIZATION
STAFF LEGISLATIVE BILL ANALYSIS

Date Introduced:	**2/19/02**	Bill No:	**AB 2073**
Tax:	**Property**	Author:	**Canciamilla**
Board Position:		Related Bills:	**AB 81 (2001)** **SB 329 (1999)** **SB 438 (1999)**

BILL SUMMARY

This bill would, with respect to certain electric generation facilities, limit the assessment jurisdiction of the Board of Equalization, as specified.

ANALYSIS

Current Law

Under existing law and regulations, some electrical generation facilities are assessed by the Board of Equalization (i.e. "state assessed") while others are assessed by local county assessors (i.e. "locally assessed"). Certain elements of taxation differ depending upon whether property is state or locally assessed. With respect to this bill, the following two elements are of particular interest:

- **Valuation Standard.** Locally assessed property is subject to Proposition 13 value limitations, which generally means acquisition value with annual increases limited to no more than 2%. In contrast, state assessed property is revalued every year at its current fair market value. (The basic tax rate applied to the assessed value of the property is essentially the same, 1%, whether state or locally assessed, but the exact tax rate may vary.)
- **Revenue Allocation to Governmental Agencies.** Property tax revenues from locally assessed property are distributed to only those governmental agencies in the tax rate area where the property is located. In contrast, for state assessed property, certain growth in revenues after 1987 are placed in a pool and shared with nearly all governmental agencies in the county according to a statutory formula.

Part 1. Assessment Jurisdiction

Section 19 of Article XIII of the California Constitution provides that "[t]he Board shall annually assess * * * property, except franchises, owned or used by regulated railway, telegraph, or telephone companies, car companies operating on railways in the State, and companies transmitting or selling gas or electricity." Differences in opinion have

been expressed as to whether this means that any company that transmits or sells electricity is subject to the assessment jurisdiction of the Board or only "regulated" companies are to be assessed by the Board. Any property subject to property tax that is not within the Board's jurisdiction, or where the Board declines to assert jurisdiction, is subject to property tax assessment by the local county assessor.

Deregulation. Local county assessors have historically assessed all electrical generation facilities except those owned by the regulated public utilities. For instance, county assessors have always assessed co-generation facilities as well as facilities using renewable sources of energy such as wind or solar. Since 1999, county assessors additionally assumed the assessment of power plants divested by regulated public utilities as well as newly constructed power plants built by private companies post-deregulation. The transfer of assessment jurisdiction of divested plants was a result of a Board regulation, Rule 905, as discussed below. The Board maintained, and continues to assess, generation facilities still owned by public utilities (primarily hydroelectric and nuclear facilities.)

Rule 905: Transfer of Divested Power Plants from State to Local Assessment in 1999. As a result of electrical deregulation, 22 electrical generation facilities previously owned by public utilities were sold to private companies. As an additional consequence of deregulation, it was anticipated that non-public utility companies would construct future generation facilities. Because of these developments, the Board decided to examine the question of the boundaries of its assessment jurisdiction over companies selling electricity in a post-deregulation era.

Formal discussion of assessment jurisdiction began in November of 1998 and a series of Board hearings and interested parties meetings were held. Following a public hearing on July 29, 1999, and after accepting and publishing proposed amendments, the Board, on September 1, 1999, adopted Rule 905, *Assessment of Electric Generation Facilities*. Rule 905 was approved by the Office of Administrative Law, and became effective on November 27, 1999.

Property Tax Rule 905 provides that electrical generation facilities will be state assessed only if:

- "the facility was constructed pursuant to a certificate of public convenience and necessity issued by the California Public Utilities Commission to the company that presently owns the facility; or,
- the company owning the facility is a state assessee for reasons other than its ownership of the generation facility or its ownership of pipelines, flumes, canals, ditches, or aqueducts lying within two or more counties."

In practical application, this generally limits state assessment of electrical generation facilities to those owned by rate regulated public utilities, such as Pacific Gas and Electric Company. Consequently, after the regulation was adopted, the jurisdiction to assess the 22 conveyed electrical generation facilities was transferred from the Board to the local assessors in the counties in which the facilities are located.

Pending Rule 905 Revision: Transfer of Divested Power Plants and Newly Constructed Plants from Local to State Assessment in 2003. On July 10, 2001 the Board authorized publication of amendments to Rule 905 and a series of public hearings were subsequently held. The proposed amendments would provide that electric generation facilities with a generating capacity over 50 megawatts and owned or used by an electrical corporation as defined in the Public Utilities Code would be subject to state assessment. Certain small qualifying facilities and qualifying co-generation facilities would be excluded from state assessment under the revised rule. On November 28, 2001, the Board approved the final form of the rule. Next, the rule is subject to the review by the Office of Administrative Law. If the rule is approved by the Office of Administrative Law, which must approve or disapprove the rule by April 16, 2002, then certain facilities, currently locally assessed, will become subject to state assessment on January 1, 2003. Those facilities will include the 22 divested plants plus an estimated 19 plants newly constructed post-deregulation.

Part 2. Revenue Allocation

Locally Assessed. Generally, property tax revenues from locally assessed property are allocated by the situs of the property and accrue only to the taxing jurisdictions in the tax rate area where the property is located. A tax rate area is a grouping of properties within a county wherein each parcel is subject to the taxing powers of the same combination of taxing agencies.

State Assessed. For state assessed property, a certain amount of the incremental growth in revenues after 1987 is placed in a pool and shared with nearly all governmental agencies in a county according to a statutory formula. Specifically,

- Each local agency has a tax base (hereafter called the "unitary base") for any jurisdiction which had state assessed property sited within its boundaries in the 1987-88 fiscal year.
- Thereafter, the formula annually increases each local agency's "unitary base" by two percent (provided revenues are sufficient).
- If, there is any property tax revenue remaining after each local agency has been distributed its "unitary base" plus two percent, then this surplus revenue, referred to as "incremental growth," is distributed to all agencies in the county. Agencies with unitary bases also receive a share of the incremental growth.
- "Incremental growth" revenues are shared with all jurisdictions in the county (i.e., county-wide distribution) in proportion to the entity's share of property tax revenues derived from locally assessed property.

Existing law provides three exceptions to this revenue allocation system for certain state assessed properties newly constructed after 1987. The property tax revenues derived from these properties go to the jurisdictions in the tax rate area where the project is sited rather than being shared with all jurisdictions located in the county as "incremental growth."

Proposed Law

Part 1. Assessment Jurisdiction

This bill would add Section 721.5 to the Revenue and Taxation Code to essentially codify the present form of Rule 905. This would limit state assessment jurisdiction over electrical generation facilities to those owned by rate regulated public utilities. This bill would maintain the status quo, and prevent pending rule activity by the Board of Equalization from transferring the assessment responsibilities of the affected facilities from county assessors to the Board.

Specifically, it would provide that on or after January 1, 2003, an electric generation facility shall be assessed by the Board only if one of the following conditions is met:

- The electric generation facility was constructed pursuant to a certificate of public convenience and necessity issued by the California Public Utilities Commission to the company that presently owns the facility.
- The company that owns the electric generation facility is a state assessee for reasons other than its ownership of the generation facility or its ownership of pipelines, flumes, canals, ditches, or aqueducts lying within two or more counties.

This bill would also make the following uncodified findings and declarations:

- Prior to the enactment of AB 1890 (Ch. 854, Stats. 1996), the electrical restructuring bill, all electric generation facilities that were owned by public utilities were assessed on a unitary basis by the State Board of Equalization.
- This unitary assessment by the board was appropriate because electric generation facilities were owned by public utilities and, as such, were not treated as separate pieces of property, but only as part of a utility's entire system of electric production and distribution, including powerplants, high voltage transmission lines, transformers, and local transmission lines.
- As part of the implementation of AB 1890, new wholesale generators purchased existing electric generation facilities from public utilities, and began construction of new facilities.
- These wholesale generators are not regulated public utilities under the Public Utilities Code.
- Electric generation facilities that are owned by wholesale generators are not part of the retail electricity distribution system, but rather are stand-alone facilities similar to an oil refinery, cement plant, or other production facility.
- Consistent with Section 19 of Article XIII of the California Constitution and longstanding board policy, in 1999, the board enacted Property Tax Rule 905 that required that electric generation facilities not operated under a certificate of public convenience and necessity be assessed by county assessors on a nonunitary basis of valuation.

- County assessment of electric generation facilities owned by wholesale generators will, in the long term, result in a higher, more stable revenue source for local governments than state assessment, and will lead to a distribution of property tax revenue to local governments in a manner that is proportionate to the local impacts of electric generation facilities.
- Local governments should retain control over the property tax revenue generated by these facilities as a means of creating the incentives for siting these plants within their jurisdictions.
- It is the intent of the Legislature in enacting this act to ensure that county assessors continue to assess electric generation facilities that are owned by wholesale generators, and that these facilities be assessed on a nonunitary valuation basis.

Potential Rule Repeal. This bill would also provide that proposed Section 721.5 supersedes any regulation in existence that is contrary to it. Thus, if this bill is enacted and the substance of Rule 905 in effect at that point in time is contrary to it, then Rule 905 would be effectively repealed.

Part 2. Revenue Allocation

By requiring that these facilities be locally assessed, this bill would ensure that property tax revenue proceeds be distributed only to those taxing agencies in the tax rate area where the property is physically located.

Background

Electrical Restructuring: Existing Facilities and New Facilities

As a result of the restructuring of the electric utility industry in California (AB 1890, Stats. 1996, Ch. 854), rate regulated public utilities have sold many of their electrical generation facilities. Public utilities were required to sell certain generation facilities, and have opted to sell other facilities voluntarily.

Twenty-two previously state assessed plants were sold between 1998-1999 and are currently subject to local assessment.

Seller – Buyer – Sales Price	Plants	County
PG&E to Duke Energy	Moss Landing	Monterey
$501 Million for 3 Plants	Morro Bay	San Luis Obispo
	Oakland	Alameda
PG&E to Southern Energy	Pittsburg Power Plant	Contra Costa
$801 Million for 3 Plants	Contra Costa	Contra Costa
	Potrero	San Francisco

PG&E to Calpine Corp.	The Geysers	Sonoma
$213 Million for 2 Plants	The Geysers	Lake
Southern California Edison to AES	Alamitos	Los Angeles
$781 Million for 3 Plants	Redondo Beach	Los Angeles
	Huntington Beach	Orange
Southern California Edison to Reliant	Ormand Beach	Ventura
$280 Million for 5 Plants	Etiwanda	San Bernardino
	Cool Water	San Bernardino
	Mandalay	Ventura
	Ellwood	Santa Barbara
Southern California Edison to NRG/Destec	El Segundo	Los Angeles
$117.5 Million for 2 Plants	Long Beach	Los Angeles
Southern California Edison to Thermo-Ecotek	Highgrove	San Bernardino
$9.5 Million for 2 Plants	San Bernardino	San Bernardino
San Diego Gas & Electric to San Diego Unified Port District (Operated by Duke) $110 Million	South Bay Power Plant	San Diego
San Diego Gas & Electric to Dynergy/NRG $356 Million	Encina Power Plant	San Diego

Additionally, the restructuring and subsequent opening of electrical generation to competition has resulted in the planned development and construction of many new electrical generation facilities across the state.

Five facilities with an online capacity of at least 50 MW have been newly constructed:

Owner	**Name**	**MW**	**City**	**County**
Dynergy/NRG	Kearney	162.5	San Diego	San Diego
Equilon/LA Refining	Texaco LA Refinery	60	Wilimington	Los Angeles
PG&E Natural Energy Group	La Paloma	1048	McKittrick	Kern
Calpine	Los Medanos Energy	559	Pittsburg	Contra Costa
Calpine	Sutter Power	500	Yuba City	Sutter

Fourteen newly constructed facilities are planned to be constructed with an online capacity of at least 50 MW by January 1, 2003 include:

Owner	Name	MW	City	County
Wisvest	Blythe Energy	520	Blythe	Riverside
Calpine/Bechtel	Delta Energy	880	Pittsburg	Contra Costa
Sempra/OXY	Elk Hills	500	Elk Hills	Kern
Inland Group/Constellat	High Desert	720	Victorville	San Bernardino
ARCO Western Energy	Midway Sunset	500	McKittrick	Kern
Thermo Ecoteck	Mountain View	1056	Redlands	San Bernardino
Enron	Pastoria	750	Tejon	Kern
GWF Power Systems	Hanford	99	Hanford	Kings
Calpine/Bechtel	Metcalf Energy	600	San Jose	Santa Clara
Ogden Pacific Power	Three Mountain	500	Burney	Shasta
El Paso Energy	United Golden Gate	570	S. Fran. Airport	San Mateo
Enron	Pastoria Expansion	250	Tejon	Kern
Calpine	E. Altamont	1100	Unincorporated	Alameda
Flordia P&L	Rio Linda/Elverta	560	Rio Linda	Sacramento

Assessment of Facilities: State and Local

Article XIII, Section 19 of the California Constitution, provides that the Board of Equalization is to annually assess the property of companies selling or transmitting electricity. The Board has historically restricted its assessment jurisdiction to companies selling or transmitting electricity that were rate regulated and operating pursuant to a certificate of public convenience and necessity by the PUC or a comparable license from a regulatory agency. Property owned by other types of companies selling or transmitting electricity traditionally have been assessed by county assessors. These companies typically operate co-generation facilities, small power generation facilities, or generation facilities using renewable energy resources.

As a result of the restructuring of the electrical energy industry, the Board adopted a regulation, Property Tax Rule 905, essentially limiting its jurisdiction to those facilities that are owned by public utilities. Under this regulation, the existing electrical generating facilities purchased from public utilities in the late 1990's are currently locally assessed, and newly constructed plants to be built by non-public utility companies, such as Calpine and Dyenergy, will also be locally assessed.

Property Tax Revenue Allocation

Prior to Proposition 13, each local government with taxing powers (counties, cities, schools, and special districts, etc.) could levy a property tax on the property located within its boundaries. Each jurisdiction determined its tax rate independently (within

certain statutory restrictions) and the statewide average tax rate prior to Proposition 13, under this system, was 2.67 percent. After Proposition 13, the property tax rate was limited to a maximum of one percent of a property's assessed value.

Since local jurisdictions could no longer set their own individual tax rates and instead were required to share in a pro rata portion of the maximum one percent tax rate, the Legislature was given the authority to determine how the property tax revenue proceeds should be allocated. The legislation that established the current property tax allocation system, found in Revenue & Taxation Code §95 - §99.2, was Assembly Bill 8 (Stats. 1979, Chap. 282; L. Greene). The descriptive term for the allocation procedure for locally assessed property tax revenues is still commonly referred to as "AB 8," some twenty years later.

In addition to establishing allocation procedures, AB 8 also provided financial relief to local agencies to offset most of the property tax revenue losses incurred after Proposition 13. AB 8 provided relief in two ways: first, it reduced certain county health and welfare program costs and, second, it shifted property taxes from schools to cities, counties and special districts, replacing the school's lost revenues with increased General Fund revenues. (There were six counties - Alpine, Lassen, Mariposa, Plumas, Stanislaus, and Trinity – referred to as "negative bailout" counties, where the amount of property taxes allocated to the county was *reduced* because the health and welfare components of AB 8 were so favorable to those counties.)

In 1992, the Educational Revenue Augmentation Fund (ERAF), was established. ERAF partially reversed the relief provided to local agencies by AB 8. The effect of ERAF was to redirect a portion of property tax revenues previously allocated to cities, counties, and special districts to schools, thus reducing the state's General Fund obligations for funding schools under Proposition 98.

Additional information on these property tax allocation procedures can be obtained from various publications authored by the Legislative Analyst's Office (LAO) and available online at http://www.lao.ca.gov.

Allocation Generally

- "Reconsidering AB 8: Exploring Alternative Ways to Allocate Property Taxes", LAO Report, February 2000
- "Property Taxes—Why Some Local Governments Get More Than Others", LAO Policy Brief, August 1996
- "Why County Revenues Vary: State Laws and Local Conditions Affecting County Finance", LAO Report, May 1998

Allocation and ERAF

- "Reversing the Property Tax Shifts", LAO Policy Brief, April 1996
- "Property Tax Shift", Perspectives and Issues (pp. 203 - 213), February 1997
- "Improving Incentives for Property Tax Administration", Perspectives and Issues (pp. 215 - 226), February 1997
- "Major Milestones: 25 Years of the State-Local Fiscal Relationship", California Update, December 1997

- "Shifting Gears: Rethinking Property Tax Shift Relief", LAO Report, February 1999

Locally Assessed Property. Generally, property tax revenues from locally assessed property are allocated by the situs of the property and accrue only to the taxing jurisdictions in the tax rate area where the property is located. A tax rate area is a grouping of properties within a county wherein each parcel is subject to the taxing powers of the same combination of taxing agencies.

State Assessed Property. Under current law, the allocation procedures for property tax revenues derived from state assessed property are different than those for locally assessed property. The revenue allocation system for state assessed property was established by legislation enacted in 1986 via AB 2890 (Stats. 1986, Chap. 1457). Prior to the 1988-89 fiscal year, the property tax revenues from state and locally assessed property were allocated in the same manner – by tax rate area. However, the process of identifying property according to tax rate area had become overwhelming for state assessees. As a result, AB 2890 was enacted to simplify the reporting and allocation process for state assessees except railroads. It allowed state assesses to report their unitary property holdings by county rather than by individual tax rate area. It additionally allowed the Board to allocate unitary value by county rather than by tax rate area. This change allowed state assessees to receive only one tax bill for all unitary property per county. Previously, each state assessee received hundreds of property tax bills from each county where they owned unitary property because a separate tax bill was prepared for each tax rate area where unitary property was physically located. (Statewide there are nearly 58,000 tax rate areas.)

Essentially, AB 2890 established a prescribed formula, performed by the county auditor. The results of AB 2890 are as follows:

- Preserves each local agency's tax base (hereafter called the "unitary base") for any jurisdiction which had state assessed property sited within its boundaries in the 1987-88 fiscal year.
- Thereafter, annually increases each local agency's "unitary base" by two percent (provided revenues are sufficient).
- If, after the county auditor distributes to each local agency its "unitary base" plus two percent, there is any property tax revenue remaining, then this surplus revenue, referred to as "incremental growth," is distributed to all agencies in the county. Agencies with unitary bases also receive a share of the incremental growth.
- "Incremental growth" revenues are shared with all jurisdictions in the county (i.e., county-wide distribution) in proportion to the entity's share of property tax revenues derived from locally assessed property.
- It is often stated that all state assessee revenue is shared "county-wide," but this is not technically true. In essence, it is only incremental growth that is distributed "county-wide" without regard to where the growth in value took place or where new construction occurred.

- By establishing unitary bases, jurisdictions were held harmless by the allocation system established by AB 2890 and some jurisdictions (those that had little or no state assessed property located in their jurisdictional boundaries prior to AB 2890) have since benefited from the county-wide system established for sharing the incremental growth.

Special Situations; Local Agencies Created After 1988 and ERAF.

Local agencies that did not exist prior to 1988, which would include ERAF, have a unitary base of *zero*.

- These local agencies may, however, still receive a share of state assessee revenues. However, their share would consist only of a portion of the county-wide incremental growth pool, if any, since they have no "unitary base."
- Once a local agency is granted a portion of the county-wide pool, it is thereafter annually guaranteed some amount of state assessee revenues.
- In some instances, local agencies and *ERAF receive no property tax revenues* from state assessed property. This occurs when:
  - The local agency was not in existence prior to 1988 and;
  - Since the local agency's formation, there has not been a year when there were sufficient revenues to give those local agencies that received property tax revenues in the prior year their previous year's share plus two percent.

Related Legislation

Electrical deregulation legislation was silent as to the state or local assessment of electrical generation facilities after deregulation. Thereafter, in 1999, SB 329 (Peace) and SB 438 (Rainey), would have given *county assessors* assessment jurisdiction over electrical generation facilities, including power plants, cogeneration facilities, and new generation facilities purchased or constructed after January 1, 1997, by an entity other than a regulated public utility company. These bills were introduced in response to pending rule activity by the Board of Equalization. At that time, the staff of the Board had been proposing a rule that would have placed under state assessment companies owning generation facilities with a capacity of 50 megawatts or more and selling more than 50% of their generated electrical power for transport through the statewide grid. For a variety of reasons, many interested parties, both local government and industry, were opposed to this proposal. The fundamental issue underlying the introduction of both SB 329 and SB 438 was the property tax revenue allocation that would occur under state assessment. Under local assessment, the property tax revenues from new facilities would flow to the government agencies in the tax rate areas in which the facilities were located. Under state assessment, on the other hand, the property tax revenues from the new facilities would be treated as "incremental growth" to be shared with all local governments in the county. These bills were ultimately amended to frame the legislation in terms of revenue allocation rather than assessment jurisdiction. Specifically, revenue from newly constructed facilities would be allocated according to situs, i.e., limited to the local governments where the property was located. Since the

rule ultimately adopted by the Board resulted in local assessment of the electrical generation facilities in question, however, these bills were no longer pursued.

COMMENTS

1. **Sponsor and purpose.** This bill is sponsored by the author in order to maintain the status quo with respect to the county assessment of affected facilities. The detailed uncodified language specifies the author's intent.

2. **How does this bill relate to Rule 905?**

   - With respect to the assessment jurisdiction issue, **this bill and current Rule 905 are substantively identical**.

   - **However, this bill would repeal the pending rule revision to Rule 905** if this bill is enacted and the proposed amendments to Rule 905 are approved by the Office of Administrative Law. The revisions to Rule 905 are currently under review by the Office of Administrative Law, which must approve or disapprove the rule by April 16, 2002. If approved, then certain facilities, currently locally assessed, will become subject to state assessment on January 1, 2003.

3. **Revenue Allocation: County-Wide vs. Local Tax Rate Area.** Under current law, the allocation procedures for property tax revenues derived from state assessed property are different than those for locally assessed property. Under local assessment, the property tax revenues from property would flow to the government agencies in the local tax rate areas in which the facilities were located. Under state assessment, on the other hand, the property tax revenues from property would be treated as "incremental growth" to be shared with all local governments in the county.

4. **This bill affects approximately 41 facilities.** The 41 facilities include the 22 divested facilities and 19 facilities recently constructed or soon to be constructed. The locations of those facilities were noted previously.

5. **State assessment requires annual fair market assessments while county assessment is subject to Proposition 13 limitations and protections.** A key difference between state assessment and county assessment is that under county assessment the valuation provisions of Article XIIIA (Proposition 13) apply, including establishing a base year value, a limit of 2% on annual increases, and valuation on the lower of fair market value or adjusted base year value. These provisions do not apply to state assessed property, which is valued annually at fair market value in accordance with the holding in the case of *ITT World Communications, Inc. v. San Francisco* (1985) 37 Cal.3d. 859. The fundamental differences in state vs. local assessment is noted in the following table:

	State Assessment	Local Assessment
Valuation Method	Current Fair Market Value	Acquisition Value Factored By No More than 2% per year or Current Fair Market Value, whichever is lower.
Revenue Allocation	Unitary Base + "County Wide" Incremental Growth	Situs Based
Value Setting	Board Members	County Assessor
Appeal of Value	Board Members	Assessment Appeals Board
Court Actions	Trial *de novo*	Legal Issue – Trial *de novo* Factual Issue - Review of Administrative Record

6. **There is no guarantee that the values determined by the county would be higher, lower, or the same than if the plants were assessed by the Board of Equalization.** Some believe state assessment will result in higher values, while others believe county assessment will. This bill includes uncodified language that in the long term, county assessment would result in a higher, more stable revenue source for local governments than state assessment. From a purely theoretical perspective, one might expect the annual fair market value of electrical generation facilities to result in a value that is higher or equal to its Proposition 13 value. However, real estate appraisal is somewhat subjective and opinions of value differ.

7. **Related Bills.** This bill has the identical effect as AB 81 (Migden) with respect to revenue allocation. However, the bills are contrary to each other with respect to assessment jurisdiction. For certain electric generation facilities with a generating capacity of 50 megawatts or more, AB 81 would:

   - Transfer assessment responsibility for property tax purposes from the local county assessor to the Board of Equalization.
   - Change the allocation of property tax revenues derived from these facilities from the county-wide pool system to the specific local tax rate area where the facility is located.

8. **A number of bills introduced in 2001 would have given a greater share of property tax revenues from power plants to the cities and counties that host them at the expense of other local agencies and/or the state via greater school backfill.** These bill were intended to create incentives and/or rewards for site approval. Those bills included:

   - SB 1019 (Torlakson) would allocate all the revenue from a state assessed "power plant facility" to the county in which the "primary power generating operation of the facility" is located.

   - SB 28X (Sher) would allocate the revenue from locally assessed plants to the local agencies that comprise the tax rate area where the property is located.

   - SB 30X (Brulte) would allocate the revenue only to those local agencies that comprise the tax rate area where the property is located (i.e. identical to the allocation procedures for locally assessed property) from "electrical generation facilities" from state assessed property.

   - AB 49X and AB 226 (B. Campbell), identical measures, would dedicate 50% of the revenue from state assessed "power plant facilities" to the county and/or city where the property is located as specified.

   - AB 62X and AB 31XX (Cohn) would provide a direct bonus to cities or counties that approve the construction of new power plant facilities for the first five years. The bonus would be based upon 25% of the property tax revenue derived from the plant.

COST ESTIMATE

This bill has no cost impact to the Board of Equalization.

REVENUE ESTIMATE

Assessment Jurisdiction: Staff has determined that there is insufficient information available to make any reliable estimate of the differences in revenue that would occur depending upon whether facilities are locally or state assessed. This bill would maintain the status quo and would have, therefore have no revenue impact.

Revenue Allocation: Revenue allocation is a zero sum game with winners and losers.

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